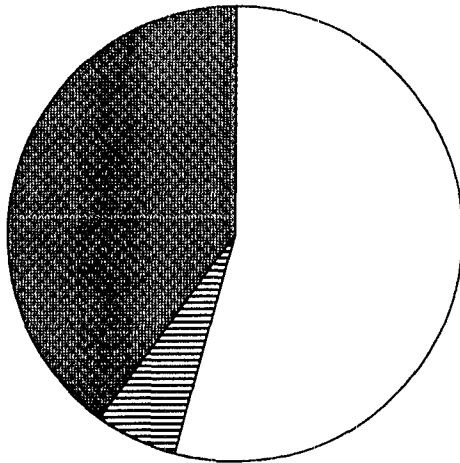


# DEVELOPER ASSISTED PROJECTS CAPITAL PROGRAM

## 2006-2010 Capital Improvement Program

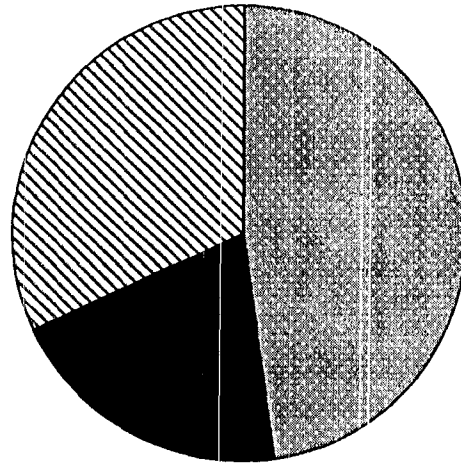
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2005-2006 Adopted  
Source of Funds



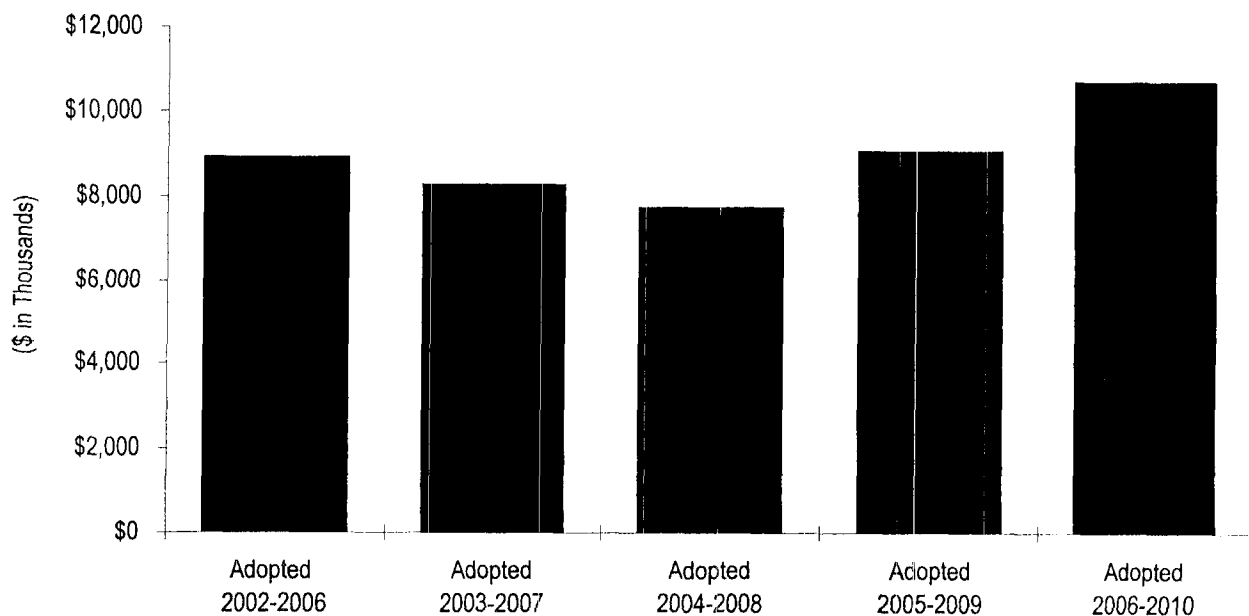
□ Beginning Fund Balance  
▨ Fees and Charges  
■ Developer Contribution

2005-2006 Adopted  
Use of Funds



▨ Construction Projects  
■ Non-Construction  
▩ Ending Fund Balance

CIP History



# City Service Area Economic & Neighborhood Development

## Performance Measures

San Jose's approach to capital project delivery has transitioned from a department level delivery system to a City Service Area (CSA) delivery system during the last few years. A set of consistent and comprehensive performance measurements along with targets and goals have been established for the entire capital program and adopted for each individual CSA. Measures have been established for four key areas: schedule (cycle time), cost, quality, and customer satisfaction. Please see the Budget Guide section narrative for additional information on capital performance measurements.

### *Outcome:* Quality CIP Projects Delivered On-Time and On-Budget

5 Year Strategic Goals		2006-2010 5-yr Goal	2004-2005 1-yr Target	2004-2005 Estimate	2005-2006 1-yr Target	2006-2007 2-yr Target
Strategic Support CSA delivers quality Capital Improvement Program (CIP) projects on-time and on-budget	1. % of CIP projects delivered* within 2 months of approved baseline schedule	85%	85%	100%* 11/11	85%	85%
	2. % of CIP projects that are completed** within the approved baseline budget	90%	90%	N/A**	90%	90%
	3. project delivery costs (exclusive of city-wide overhead) as % of total construction cost for completed projects with construction costs:					
	less than \$500,000-	31%	31%	N/A**	31%	31%
	between \$500,000 and \$3M-	23%	23%	N/A**	23%	23%
	greater than \$3M-	15%	15%	N/A**	15%	15%
	Total (all construction costs)-			N/A**		
	4. % of operations and maintenance divisions rating new or rehabilitated capital facilities as being functional and sustainable after first year of use	80%	80%	TBD***	80%	80%
	5. % of customers rating new or rehabilitated CIP projects as meeting established goals (4 or better based on a scale of 1-5)	85%	85%	TBD***	85%	85%

#### Notes:

\* Projects are considered to be "delivered" when they are available for their intended use.

\*\* Projects are considered to be "completed" when final cost accounting has occurred and the project has been accepted. No projects have been "completed" in 2004-2005.

\*\*\* The New City Hall Project was delivered in June 2005. As such, customer satisfaction surveys will not start until 2005-2006. The operations and maintenance survey will be conducted during the end of 2005-2006.

# City Service Area Economic & Neighborhood Development

## Recent Accomplishments

- Completed construction of a median island on San Felipe Road near the intersection of Delta Road.
- Street Improvements were completed on Oak Road.
- Completed substructure construction of 4<sup>th</sup>/5<sup>th</sup>/6<sup>th</sup> Street Phase II Utility Underground District Project (Rule 20A). Pole removal scheduled for completion by October 2005.

## Program Highlights

### Developer Assisted Projects Capital Program

2006-2010 Adopted CIP: \$10.7 million

#### *Undergrounding Projects – Rule 20B*

- Jackson/Taylor, 4<sup>th</sup> to 9<sup>th</sup> Street, proposed Underground Utility Districts (combination Rule 20A and Rule 20B project): scheduled for legislation adoption in September 2005, begin design in October 2005, and start construction in September 2007.
- The Saratoga Avenue Underground Utility District: currently in design and scheduled for construction in 2006.

#### *Undergrounding Projects – Rule 20A*

- Camden Avenue, Bascom to Leigh, Underground Utility District: currently in design and scheduled for construction in December 2005.
- Guadalupe Gardens utility undergrounding project: currently in design and scheduled for construction in December 2005.
- Evergreen Park, Yerba Buena and San Felipe Road, Underground Utility District: project in design and scheduled for construction in July 2006.

#### *Street Improvements*

- Several street improvements including median island landscaping and center strip paving as part of the Communications Hill and Dairy Hill developments have begun construction. Some of the improvements were completed in 2004-2005, with the remaining improvements slated for completion in 2005-2006.

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## CSA OUTCOMES

(Supported by the Capital Program)

- ✓ Safe, Healthy, Attractive and Vital Community

**Developer Assisted Projects Capital Program**  
**2006-2010 Adopted Capital Improvement Program**  
**Detail of Capital Projects**

**7. Underground Utility Administration (20B)**

<b>CSA:</b>	Economic and Neighborhood Development	<b>Initial Start Date:</b>	Ongoing
<b>CSA Outcome:</b>	Safe, Healthy, Attractive and Vital Community	<b>Revised Start Date:</b>	
<b>Department:</b>	Public Works	<b>Initial Completion Date:</b>	Ongoing
<b>Council District:</b>	City-wide	<b>Revised Completion Date:</b>	
<b>Location:</b>	N/A		

**Description:** Ordinance No. 23187 established an Underground Utility Fee Program whereby developers can pay a fee in lieu of being required to underground all overhead utilities adjacent to their developments. This allocation provides funding for the day-to-day administration of this Ordinance, including plan review.

**Justification:** Staff support is necessary to administer the Underground Utility Program.

EXPENDITURE SCHEDULE (000'S)										
Cost Elements	Prior Years	2004-05 Appn.	2004-05 Estimate	2005-06	2006-07	2007-08	2008-09	2009-10	5-Year Total	Beyond 5-Year
Program Management		82	82	90	95	101	106	112	504	
<b>TOTAL</b>		<b>82</b>	<b>82</b>	<b>90</b>	<b>95</b>	<b>101</b>	<b>106</b>	<b>112</b>	<b>504</b>	

FUNDING SOURCE SCHEDULE (000'S)										
Underground Utility Fund		82	82	90	95	101	106	112	504	
<b>TOTAL</b>		<b>82</b>	<b>82</b>	<b>90</b>	<b>95</b>	<b>101</b>	<b>106</b>	<b>112</b>	<b>504</b>	

ANNUAL OPERATING BUDGET IMPACT (000'S)										
None										

**Major Changes in Project Cost:**  
N/A

**Notes:**  
Project schedule dates and selected budget information are not provided due to the ongoing nature of this project.

<b>FY Initiated:</b>	Ongoing	<b>Redevelopment Area:</b>	N/A
<b>Initial Project Budget:</b>		<b>SNI Area:</b>	N/A
<b>Appn. #:</b>	5147		

**Developer Assisted Projects Capital Program**  
**2006-2010 Adopted Capital Improvement Program**  
**Detail of Capital Projects**

**6. Underground Utility Administration (20A)**

<b>CSA:</b>	Economic and Neighborhood Development	<b>Initial Start Date:</b>	Ongoing
<b>CSA Outcome:</b>	Safe, Healthy, Attractive and Vital Community	<b>Revised Start Date:</b>	
<b>Department:</b>	Public Works	<b>Initial Completion Date:</b>	Ongoing
<b>Council District:</b>	City-wide	<b>Revised Completion Date:</b>	
<b>Location:</b>	N/A		

**Description:** PG&E and other utility companies allocate their own funds to replace existing overhead electrical facilities with underground electrical facilities within the communities they serve. This allocation provides funding for the day-to-day administration of the undergrounding program, including design and plan review, coordination, inspection of undergrounding projects, underground service alert locating, and legislation of the Underground Utility Districts.

**Justification:** Underground Utility Projects occur per the City Council endorsed 5-year workplan. The purpose of the conversion is to implement the urban design policies of San José's General Plan.

EXPENDITURE SCHEDULE (000'S)										
Cost Elements	Prior Years	2004-05 Appn.	2004-05 Estimate	2005-06	2006-07	2007-08	2008-09	2009-10	5-Year Total	Beyond 5-Year
Program Management		217	217	221	228	235	242	247	1,173	
<b>TOTAL</b>		<b>217</b>	<b>217</b>	<b>221</b>	<b>228</b>	<b>235</b>	<b>242</b>	<b>247</b>	<b>1,173</b>	

FUNDING SOURCE SCHEDULE (000'S)										
Underground Utility Fund		217	217	221	228	235	242	247	1,173	
<b>TOTAL</b>		<b>217</b>	<b>217</b>	<b>221</b>	<b>228</b>	<b>235</b>	<b>242</b>	<b>247</b>	<b>1,173</b>	

ANNUAL OPERATING BUDGET IMPACT (000'S)										
None										

**Major Changes in Project Cost:**  
N/A

**Notes:**  
Project schedule dates and selected budget information are not provided due to the ongoing nature of this project.

<b>FY Initiated:</b>	Ongoing	<b>Redevelopment Area:</b>	N/A
<b>Initial Project Budget:</b>		<b>SNI Area:</b>	N/A
<b>Appn. #:</b>	4786		

# Developer Assisted Projects Capital Program

## 2006-2010 Adopted Capital Improvement Program

### Detail of Capital Projects

#### 5. Street Improvements for New Development

<b>CSA:</b>	Economic and Neighborhood Development	<b>Initial Start Date:</b>	Ongoing
<b>CSA Outcome:</b>	Safe, Healthy, Attractive and Vital Community	<b>Revised Start Date:</b>	
<b>Department:</b>	Public Works	<b>Initial Completion Date:</b>	Ongoing
<b>Council District:</b>	City-wide	<b>Revised Completion Date:</b>	
<b>Location:</b>	N/A		

**Description:** This allocation provides reimbursements to developers for voluntary off-site street improvements typically adjacent to an ongoing private development project.

**Justification:** This program implements the City's General Plan Goals and Policies, which state that the City should assign priority to the installation and maintenance of street improvements along major thoroughfares.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2004-05 Appn.	2004-05 Estimate	2005-06	2006-07	2007-08	2008-09	2009-10	5-Year Total	Beyond 5-Year	Project Total
Payment to Developers				50	50	50	50	50	250		
<b>TOTAL</b>				50	50	50	50	50	250		

FUNDING SOURCE SCHEDULE (000'S)											
Residential Construction Tax Contribution Fund				50	50	50	50	50	250		
<b>TOTAL</b>				50	50	50	50	50	250		

ANNUAL OPERATING BUDGET IMPACT (000'S)											
None											

**Major Changes in Project Cost:**

N/A

**Notes:**

Project schedule dates and selected budget information are not provided due to the ongoing nature of this project.

<b>FY Initiated:</b>	Ongoing	<b>Redevelopment Area:</b>	N/A
<b>Initial Project Budget:</b>		<b>SNI Area:</b>	N/A
<b>Appn. #:</b>	5402		

# Developer Assisted Projects Capital Program

## 2006-2010 Adopted Capital Improvement Program

### Detail of Capital Projects

#### 4. Residential Program Administration

<b>CSA:</b>	Economic and Neighborhood Development	<b>Initial Start Date:</b>	Ongoing
<b>CSA Outcome:</b>	Safe, Healthy, Attractive and Vital Community	<b>Revised Start Date:</b>	
<b>Department:</b>	Public Works	<b>Initial Completion Date:</b>	Ongoing
<b>Council District:</b>	City-wide	<b>Revised Completion Date:</b>	
<b>Location:</b>	N/A		

**Description:** This allocation provides for the administration of the Residential Construction Tax Contribution Fund. The increase to this allocation in 2005-2006 will more accurately align funding with anticipated workload.

**Justification:** Funds are necessary to administer the collection and distribution of funds related to the Residential Construction Tax Contribution Fund.

EXPENDITURE SCHEDULE (000'S)										
Cost Elements	Prior Years	2004-05 Appn.	2004-05 Estimate	2005-06	2006-07	2007-08	2008-09	2009-10	5-Year Total	Beyond 5-Year
Program Management		43	43	82	82	82	82	82	410	
<b>TOTAL</b>		<b>43</b>	<b>43</b>	<b>82</b>	<b>82</b>	<b>82</b>	<b>82</b>	<b>82</b>	<b>410</b>	

FUNDING SOURCE SCHEDULE (000'S)										
Residential Construction Tax Contribution Fund		43	43	82	82	82	82	82	410	
<b>TOTAL</b>		<b>43</b>	<b>43</b>	<b>82</b>	<b>82</b>	<b>82</b>	<b>82</b>	<b>82</b>	<b>410</b>	

ANNUAL OPERATING BUDGET IMPACT (000'S)										
None										

**Major Changes in Project Cost:**

N/A

**Notes:**

Project schedule dates and selected budget information are not provided due to the ongoing nature of this project.

<b>FY Initiated:</b>	Ongoing	<b>Redevelopment Area:</b>	N/A
<b>Initial Project Budget:</b>		<b>SNI Area:</b>	N/A
<b>Appn. #:</b>	5140		

**Developer Assisted Projects Capital Program**  
**2006-2010 Adopted Capital Improvement Program**  
**Detail of Capital Projects**

**3. Reimbursement to Developers for Landscaping**

<b>CSA:</b>	Economic and Neighborhood Development	<b>Initial Start Date:</b>	Ongoing
<b>CSA Outcome:</b>	Safe, Healthy, Attractive and Vital Community	<b>Revised Start Date:</b>	
<b>Department:</b>	Public Works	<b>Initial Completion Date:</b>	Ongoing
<b>Council District:</b>	City-wide	<b>Revised Completion Date:</b>	
<b>Location:</b>	N/A		

**Description:** This allocation provides reimbursements to residential developers to install landscaping on City streets near developments.

**Justification:** This program implements the City's General Plan Goals and Policies, which state that the City should assign priority to the installation and maintenance of median islands and back-up strips along major thoroughfares.

EXPENDITURE SCHEDULE (000'S)										
Cost Elements	Prior Years	2004-05 Appn.	2004-05 Estimate	2005-06	2006-07	2007-08	2008-09	2009-10	5-Year Total	Beyond 5-Year
Payment to Developers		310	310	200	75	50	50	50	425	
<b>TOTAL</b>		<b>310</b>	<b>310</b>	<b>200</b>	<b>75</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>425</b>	

FUNDING SOURCE SCHEDULE (000'S)										
Residential Construction Tax Contribution Fund		310	310	200	75	50	50	50	425	
<b>TOTAL</b>		<b>310</b>	<b>310</b>	<b>200</b>	<b>75</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>425</b>	

ANNUAL OPERATING BUDGET IMPACT (000'S)										
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None

**Major Changes in Project Cost:**  
N/A

**Notes:**

Project schedule dates and selected budget information are not provided due to the ongoing nature of this project.

<b>FY Initiated:</b>	Ongoing	<b>Redevelopment Area:</b>	N/A
<b>Initial Project Budget:</b>		<b>SNI Area:</b>	N/A
<b>Appn. #:</b>	5148		



**Developer Assisted Projects Capital Program**  
**2006-2010 Adopted Capital Improvement Program**  
**Detail of Capital Projects**

**2. Reimbursement to Developers for Center Strip Paving**

<b>CSA:</b>	Economic and Neighborhood Development	<b>Initial Start Date:</b>	Ongoing
<b>CSA Outcome:</b>	Safe, Healthy, Attractive and Vital Community	<b>Revised Start Date:</b>	
<b>Department:</b>	Public Works	<b>Initial Completion Date:</b>	Ongoing
<b>Council District:</b>	City-wide	<b>Revised Completion Date:</b>	
<b>Location:</b>	N/A		

**Description:** This allocation provides reimbursements to developers of residential projects being built adjacent to major collectors for the costs of paving the street beyond the 30 foot width for residential streets.

**Justification:** This program implements the City's General Plan Goals and Policies, which state that the City should assign priority to the installation and maintenance of median islands and back-up strips along major thoroughfares.

**EXPENDITURE SCHEDULE (000'S)**

Cost Elements	Prior Years	2004-05 Appn.	2004-05 Estimate	2005-06	2006-07	2007-08	2008-09	2009-10	5-Year Total	Beyond 5-Year	Project Total
Payment to Developers		150	150	80	30	55	50	50	265		
<b>TOTAL</b>		<b>150</b>	<b>150</b>	<b>80</b>	<b>30</b>	<b>55</b>	<b>50</b>	<b>50</b>	<b>265</b>		

**FUNDING SOURCE SCHEDULE (000'S)**

Residential Construction Tax Contribution Fund		150	150	80	30	55	50	50	265		
<b>TOTAL</b>		<b>150</b>	<b>150</b>	<b>80</b>	<b>30</b>	<b>55</b>	<b>50</b>	<b>50</b>	<b>265</b>		

**ANNUAL OPERATING BUDGET IMPACT (000'S)**

None

**Major Changes in Project Cost:**

N/A

**Notes:**

Project schedule dates and selected budget information are not provided due to the ongoing nature of this project.

<b>FY Initiated:</b>	Ongoing	<b>Redevelopment Area:</b>	N/A
<b>Initial Project Budget:</b>		<b>SNI Area:</b>	N/A
<b>Appn. #:</b>	4314		

**Developer Assisted Projects Capital Program**  
**2006-2010 Adopted Capital Improvement Program**  
**Detail of Capital Projects**

**1. Underground Utility Program**

<b>CSA:</b>	Economic and Neighborhood Development	<b>Initial Start Date:</b>	Ongoing
<b>CSA Outcome:</b>	Safe, Healthy, Attractive and Vital Community	<b>Revised Start Date:</b>	
<b>Department:</b>	Public Works	<b>Initial Completion Date:</b>	Ongoing
<b>Council District:</b>	City-wide	<b>Revised Completion Date:</b>	
<b>Location:</b>	City-wide		

**Description:** The Underground Utility Program establishes Rule 20B Underground Utility Districts that pay for the design, construction, and administration of projects to convert overhead utilities to underground facilities. Projects are prioritized with a 5-year plan based on several criteria, the largest of which is the total amount of fees collected within the proposed Underground District.

**Justification:** Underground Utility Ordinance No. 23187 mandates that fees collected pursuant to the ordinance be used to fund the conversion of overhead utility facilities to underground facilities. The purpose of the conversion is to implement the urban design policies of San José's General Plan.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2004-05 Appn.	2004-05 Estimate	2005-06	2006-07	2007-08	2008-09	2009-10	5-Year Total	Beyond 5-Year	Project Total
Construction		1,617	1,600	1,741	1,208	1,700	1,382	1,076	7,107		
<b>TOTAL</b>		<b>1,617</b>	<b>1,600</b>	<b>1,741</b>	<b>1,208</b>	<b>1,700</b>	<b>1,382</b>	<b>1,076</b>	<b>7,107</b>		

FUNDING SOURCE SCHEDULE (000'S)											
Underground Utility Fund		1,617	1,600	1,741	1,208	1,700	1,382	1,076	7,107		
<b>TOTAL</b>		<b>1,617</b>	<b>1,600</b>	<b>1,741</b>	<b>1,208</b>	<b>1,700</b>	<b>1,382</b>	<b>1,076</b>	<b>7,107</b>		

ANNUAL OPERATING BUDGET IMPACT (000'S)											
None											

**Major Changes in Project Cost:**

N/A

**Notes:**

Project schedule dates and selected budget information are not provided due to the ongoing nature of this project.

<b>FY Initiated:</b>	Ongoing	<b>Redevelopment Area:</b>	N/A
<b>Initial Project Budget:</b>		<b>SNI Area:</b>	N/A
<b>Appn. #:</b>	4654		

# 2005-2006 CAPITAL BUDGET

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## 2006-2010 CAPITAL IMPROVEMENT PROGRAM

### DEVELOPER ASSISTED PROJECTS

#### DETAIL OF CAPITAL PROJECTS

*The Detail of Capital Projects section provides information on the individual capital projects with funding in 2005-2006, including the following: project name, City Service Area (CSA) and CSA Outcome supported by the project, responsible department, Council District, project location, project description, project start and completion dates, project justification, project costs by type of expenditure, funding sources for the project, and the annual operating budget impact. On the Use of Funds statement, these projects are numbered.*

**Developer Assisted Projects Capital Program**  
**2006-2010 Adopted Capital Improvement Program**  
**2005-2006 Use of Funds by Funding Source**

	(416)	(420)	Total
	Underground Utility Fund	Residential Construction Tax Contribution Fund	
<b><u>Non-Construction</u></b>			
General Non-Construction			
Total General Non-Construction	316,000	413,000	729,000
Contributions, Loans and Transfers to			
City Hall Operating & Maintenance	4,000	1,000	5,000
Total Contributions, Loans and Transfers	4,000	1,000	5,000
Ending Fund Balance	785,150	376,283	1,161,433
<b>TOTAL USE OF FUNDS</b>	<b>2,846,150</b>	<b>790,283</b>	<b>3,636,433</b>

**Developer Assisted Projects Capital Program**  
**2006-2010 Adopted Capital Improvement Program**  
**2005-2006 Use of Funds by Funding Source**

	(416) Underground Utility Fund	(420) Residential Construction Tax Contribution Fund	Total
<b>TOTAL RESOURCES</b>	<b>2,846,150</b>	<b>790,283</b>	<b>3,636,433</b>
<b><u>Construction Projects</u></b>			
1. Underground Utility Program	1,741,000		1,741,000
<b>Total Construction Projects</b>	<b>1,741,000</b>		<b>1,741,000</b>
<b><u>Non-Construction</u></b>			
<b>General Non-Construction</b>			
City Hall Furniture, Fixtures and Equipment	4,000	1,000	5,000
City Hall Occupancy	1,000		1,000
2. Reimbursement to Developers for Center Strip Paving		80,000	80,000
3. Reimbursement to Developers for Landscaping		200,000	200,000
4. Residential Program Administration		82,000	82,000
5. Street Improvements for New Development		50,000	50,000
6. Underground Utility Administration (20A)	221,000		221,000
7. Underground Utility Administration (20B)	90,000		90,000
<b>Total Non-Construction</b>	<b>320,000</b>	<b>414,000</b>	<b>734,000</b>

**Developer Assisted Projects Capital Program**  
**2006-2010 Adopted Capital Improvement Program**

**Use of Funds**

<b>USE OF FUNDS (CONT'D.)</b>	<b>Estimated 2004-2005</b>	<b>2005-2006</b>	<b>2006-2007</b>	<b>2007-2008</b>	<b>2008-2009</b>	<b>2009-2010</b>	<b>5-Year Total</b>
<b><u>Non-Construction</u></b>							
<b>Contributions, Loans and Transfers to General Fund</b>							
City Hall Operating & Maintenance		5,000	5,000	5,000	6,000	6,000	27,000
<b>Total Contributions, Loans and Transfers to General Fund</b>		<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>6,000</b>	<b>6,000</b>	<b>27,000</b>
<b>Total Non-Construction</b>	<b>902,000</b>	<b>734,000</b>	<b>584,000</b>	<b>597,000</b>	<b>605,000</b>	<b>616,000</b>	<b>3,136,000</b>
<b>Ending Fund Balance</b>	<b>1,974,433</b>	<b>1,161,433</b>	<b>1,081,433</b>	<b>521,433</b>	<b>321,433</b>	<b>466,433</b>	<b>466,433*</b>
<b>TOTAL USE OF FUNDS</b>	<b>4,476,433</b>	<b>3,636,433</b>	<b>2,873,433</b>	<b>2,818,433</b>	<b>2,308,433</b>	<b>2,158,433</b>	<b>10,709,433*</b>

\* The 2005-2006 through 2008-2009 Ending Balances are excluded from the FIVE-YEAR TOTAL USE OF FUNDS to avoid multiple counting of same funds.

**Developer Assisted Projects Capital Program**  
**2006-2010 Adopted Capital Improvement Program**

**Use of Funds**

<b>USE OF FUNDS</b>	<b>Estimated 2004-2005</b>	<b>2005-2006</b>	<b>2006-2007</b>	<b>2007-2008</b>	<b>2008-2009</b>	<b>2009-2010</b>	<b>5-Year Total</b>
<b><u>Construction Projects</u></b>							
1. Underground Utility Program	1,600,000	1,741,000	1,208,000	1,700,000	1,382,000	1,076,000	7,107,000
<b>Total Construction Projects</b>	<b>1,600,000</b>	<b>1,741,000</b>	<b>1,208,000</b>	<b>1,700,000</b>	<b>1,382,000</b>	<b>1,076,000</b>	<b>7,107,000</b>
<b><u>Non-Construction</u></b>							
<b>General Non-Construction</b>							
Budget Office Capital Program	17,000						
CIP Action Team	46,000						
City Hall Furniture, Fixtures and Equipment		5,000	5,000	5,000	5,000	5,000	25,000
City Hall Occupancy		1,000	14,000	14,000	14,000	14,000	57,000
Community Facilities District 8 Annexation	16,000						
Information Technology Staff	21,000						
2. Reimbursement to Developers for Center Strip Paving	150,000	80,000	30,000	55,000	50,000	50,000	265,000
3. Reimbursement to Developers for Landscaping	310,000	200,000	75,000	50,000	50,000	50,000	425,000
4. Residential Program Administration	43,000	82,000	82,000	82,000	82,000	82,000	410,000
5. Street Improvements for New Development		50,000	50,000	50,000	50,000	50,000	250,000
6. Underground Utility Administration (20A)	217,000	221,000	228,000	235,000	242,000	247,000	1,173,000
7. Underground Utility Administration (20B)	82,000	90,000	95,000	101,000	106,000	112,000	504,000
<b>Total General Non-Construction</b>	<b>902,000</b>	<b>729,000</b>	<b>579,000</b>	<b>592,000</b>	<b>599,000</b>	<b>610,000</b>	<b>3,109,000</b>

**Developer Assisted Projects Capital Program**  
**2006-2010 Adopted Capital Improvement Program**  
**Source of Funds**

<b>SOURCE OF FUNDS</b>	<b>Estimated 2004-2005</b>	<b>2005-2006</b>	<b>2006-2007</b>	<b>2007-2008</b>	<b>2008-2009</b>	<b>2009-2010</b>	<b>5-Year Total</b>
<b><u>Underground Utility Fund</u></b>							
Beginning Fund Balance	1,718,876	1,396,150	785,150	735,150	230,150	80,150	1,396,150 *
Developer Contributions	1,400,000	1,450,000	1,500,000	1,550,000	1,600,000	1,650,000	7,750,000
Reserve for Encumbrances	231,274						
<b>Total Underground Utility Fund</b>	<b>3,350,150</b>	<b>2,846,150</b>	<b>2,285,150</b>	<b>2,285,150</b>	<b>1,830,150</b>	<b>1,730,150</b>	<b>9,146,150 *</b>
<b><u>Residential Construction Tax Contribution Fund</u></b>							
Beginning Fund Balance	901,933	578,283	376,283	346,283	291,283	241,283	578,283 *
<b>Taxes, Fees &amp; Charges:</b>							
<u>Residential Construction Tax</u>	224,000	212,000	212,000	187,000	187,000	187,000	985,000
Reserve for Encumbrances	350						
<b>Total Residential Construction Tax Contribution Fund</b>	<b>1,126,283</b>	<b>790,283</b>	<b>588,283</b>	<b>533,283</b>	<b>478,283</b>	<b>428,283</b>	<b>1,563,283 *</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>4,476,433</b>	<b>3,636,433</b>	<b>2,873,433</b>	<b>2,818,433</b>	<b>2,308,433</b>	<b>2,158,433</b>	<b>10,709,433 *</b>

\* The 2006-2007 through 2009-2010 Beginning Balances are excluded from the FIVE-YEAR TOTAL SOURCE OF FUNDS to avoid multiple counting of the same funds.



# 2005-2006 CAPITAL BUDGET

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## 2006-2010 CAPITAL IMPROVEMENT PROGRAM

### DEVELOPER ASSISTED PROJECTS

#### SOURCE OF FUNDS

#### USE OF FUNDS

#### 2005-2006 USE OF FUNDS BY FUNDING SOURCE

*The Source of Funds displays the capital revenues by funding source for each year of the Five-Year Capital Improvement Program. The Use of Funds displays the capital expenditures by line-item for each year of the five-year period. The 2005-2006 Use of Funds by Funding Source displays the funding sources for the capital expenditures that are budgeted in 2005-2006.*

## **Developer Assisted Projects**

### **2006-2010 Adopted Capital Improvement Program**

#### **Overview**

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##### **Major Changes from the 2005-2009 Adopted CIP**

- As discussed above, the revenue estimates for the Residential Construction Tax and Underground Utility Fund (In-Lieu Fee) are slightly higher than in the prior CIP.
- Due to an increased fund balance level, annual funding in the amount of \$50,000 has been restored for Street Improvements for New Developments. This project had been suspended in the prior two CIP's due to funding constraints. This project will reimburse developers for voluntary off-site street improvements typically adjacent to an ongoing private development project.

##### **Operating Budget Impact**

There are no additional operating and maintenance costs associated with the projects in the 2006-2010 Adopted CIP, given that the median island construction and center strip paving related to the Communications Hill and Dairy Hill projects will be maintained through an assessment district involving newly developed properties. Within the Underground Utility Program, utility companies will maintain their own facilities.

##### **Council-Approved Revisions to the Proposed Capital Improvement Program**

None

## Developer Assisted Projects

### 2006-2010 Adopted Capital Improvement Program

#### Overview

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##### Program Priorities and Objectives (Cont'd.)

improve the infrastructure of the City.

On April 23, 1992, the City Council approved an amendment to the RCTCF Ordinance in an effort to achieve a balance between annual revenues and expenditures and reduce a large fund balance. The amendment modified the ordinance to allow for the use of funds for several additional purposes, including the construction of city-wide median island landscape projects along residential frontage streets, provided funds are available in the RCTCF.

##### Sources of Funding

Revenue for the CIP is derived from two sources: the Residential Construction Tax (estimated at \$985,000 over the next five years), and the Underground Utility In-Lieu Fee (\$7.8 million), which is paid by developers. The revenue projections for the Residential Construction Tax are up slightly from the \$956,000 projection included in the 2005-2009 Adopted CIP based on actual performance and estimated activity levels. The annual Residential Construction Tax revenues are projected at \$224,000 for 2004-2005 and \$212,000 for 2005-2006 and 2006-2007. Revenues are expected to level off at \$187,000 for the remaining out years (2007-2008 through 2009-2010). Underground Utility In-Lieu Fee collections are anticipated to increase to \$1,450,000 in 2005-2006 and continue to increase slightly in each of the remaining years of the CIP.

In both the Underground Utility Fund and the Residential Construction Tax Contribution Fund, a significant portion of

the respective fund balances will be used along with the projected tax and fee revenues to support the ongoing build out of undergrounding projects and the reimbursements to developers for their street improvement projects.

##### Program Highlights

Some major anticipated activities within the RCTCF include reimbursements to KB Homes South Bay and Summerhill Homes for median island construction and center strip paving related to the Communications Hill and Dairy Hill projects. The reimbursements to these developers are programmed in 2004-2005 and 2005-2006. Specifically, \$310,000 was programmed for median island reimbursements and \$150,000 for center strip paving reimbursements in 2004-2005. In 2005-2006, \$200,000 is earmarked for median island landscaping and \$80,000 is programmed for center strip paving. In 2005-2006 and beyond, some smaller street improvement reimbursements in the RCTCF have been programmed.

Within the Underground Utility Fund, current priorities include the following proposed projects: Jackson/Taylor Underground Utility District, Stevens Creek Underground Utility District, Park/Naglee Underground Utility District, Camden Avenue Underground Utility District, and Saratoga Avenue Underground Utility District. The 4<sup>th</sup>/5<sup>th</sup>/6<sup>th</sup> Phase II Rule 20A Utility Underground District is currently in construction and is scheduled to be completed in July 2005. The following Underground Utility District projects are currently in design: Stevens Creek Boulevard (Stearns to Calvert) Camden Avenue (Bascom to Leigh), Saratoga Avenue (Route 280 to Kiely), and Evergreen Park (Yerba Buena to San Felipe Road).

# Developer Assisted Projects

## 2006-2010 Adopted Capital Improvement Program

### Overview

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#### Introduction

The Developer Assisted Projects Capital Program includes the Underground Utility Fund and the Residential Construction Tax Contribution Fund (RCTCF). These funds are set up primarily to receive money from and/or provide payments to developers and utility companies. The 2006-2010 Adopted Capital Improvement Program (CIP) provides funding of \$10.7 million, of which \$3.6 million is allocated in 2005-2006.

This program is part of the Economic and Neighborhood Development City Service Area (CSA) and supports the following outcome: *Safe, Healthy, Attractive and Vital Community.*

#### Program Priorities and Objectives

This capital program is used to reimburse residential developers for the construction of street improvements throughout the City and encourage the undergrounding of existing overhead facilities.

The Underground Utility Fund is used to collect developer fees when a developer opts out of placing facilities underground at the time of development. The fund is then used to establish Rule 20B Underground Utility Districts. These districts combine several smaller undergrounding projects into one large project to minimize the undesired result of piecemeal undergrounding occurring throughout the City. The districts pay for the design, construction, and administration of these projects. Projects are prioritized with a 5-year plan based on several criteria, the largest of which is the total amount of fees collected within the proposed Underground Utility District. Other criteria include whether

or not the undergrounding work can be coordinated with other capital improvement work such as street widening, and established equity in the amount of undergrounding proposed among Council Districts.

The Underground Utility Fund is also responsible for the administration of the Rule 20A Program. Through Rule 20A, the California Public Utilities Commission requires Pacific Gas and Electric (PG&E) to annually set aside funds to finance the undergrounding of overhead facilities located on public streets within the City of San José. Pacific Bell (SBC) and Comcast budget funds to participate in the projects where PG&E Rule 20A funds are programmed. City staff legislates the underground utility districts, reviews plans and designs, and coordinates and inspects undergrounding projects.

Developers who construct residential dwelling units pay contributions to the RCTCF. Payments from the fund are made to developers who construct eligible improvements on major City streets in connection with new residential developments. This program implements the City's General Plan Goals and Policies, which state that the City should assign priority to the installation and maintenance of landscaping in median islands and back-up strips along major thoroughfares. Reimbursements to developers for qualifying improvements are made on a first-come, first-served basis according to when the improvements are accepted by the City and when the developers subsequently invoice the City with appropriate documentation of their costs. The major program priority and objective is to ensure that residential developments within San José include the construction of public improvements necessary to maintain or

# Capital Program Summary by City Service Area

## Economic and Neighborhood Development

	2005-2006 Budget	2006-2010 CIP Budget	Total Budget (All Years)	Start date	End date
<b><u>Developer Assisted</u></b>					
<b><u>Projects Capital Program</u></b>					
City Hall Furniture, Fixtures and Equipment	5,000	25,000	25,000	N/A	N/A
City Hall Occupancy	1,000	57,000	*	Ongoing	Ongoing
City Hall Operating & Maintenance	5,000	27,000	27,000	N/A	N/A
Reimbursement to Developers for Center Strip Paving	80,000	265,000	*	Ongoing	Ongoing
Reimbursement to Developers for Landscaping	200,000	425,000	*	Ongoing	Ongoing
Residential Program Administration	82,000	410,000	*	Ongoing	Ongoing
Street Improvements for New Development	50,000	250,000	*	Ongoing	Ongoing
Underground Utility Administration (20A)	221,000	1,173,000	*	Ongoing	Ongoing
Underground Utility Administration (20B)	90,000	504,000	*	Ongoing	Ongoing
Underground Utility Program	1,741,000	7,107,000	*	Ongoing	Ongoing
<b>Total: Construction/Non-Construction</b>	<b>2,475,000</b>	<b>10,243,000</b>			
Ending Fund Balance	1,161,433	466,433	**		
<b>Total: Developer Assisted Projects Capital Program</b>	<b>3,636,433</b>	<b>10,709,433</b>	**		
 <b>CSA Total: Construction/Non-Construction</b>	 <b>2,475,000</b>	 <b>10,243,000</b>	 <b>**</b>		
Ending Fund Balance	1,161,433	466,433	**		
<b>CSA Total:</b>	<b>3,636,433</b>	<b>10,709,433</b>	<b>**</b>		

\* Total Budget information is not provided due to the ongoing nature of this project.

\*\*The 2005-2006 through 2008-2009 Ending Balances are excluded from the FIVE-YEAR TOTAL USE OF FUNDS to avoid multiple counting of same funds.